



## Happy Tax Freedom Day!

By George Runner

There's a very important day this week—a day even more significant than when your taxes are due. In the State of California, Tax Freedom Day finally arrives on April 20.

Calculated annually by the Tax Foundation, Tax Freedom Day is the day on which the average Californian has finished earning enough money to pay all of his or her federal, state and local taxes this year.

So, congratulations! Just a mere 110 days into the year (not counting February 29), you can finally start working for yourself instead of the government.

But before you break out the champagne, note the following:

1. Tax Freedom Day is four days later than last year. It would have been even later had the Governor and Legislature succeeded in their efforts to raise car taxes, income taxes and sales taxes.
2. Californians must work longer for the government than residents of other states. The average American achieves tax freedom three days earlier than the average Californian. That's one reason many workers leave our state as soon as they retire.
3. If taxes were raised high enough to pay for all government spending, California's Tax Freedom Day wouldn't come until May 17.

Tax Freedom Day used to arrive much earlier in the year. According to the Tax Foundation, in the year 1900 Americans paid only 5.9% of their income in taxes and Tax Freedom Day was January 22.

Over the years, the sheer number of taxes and their overall cost has grown tremendously. In fact, it's jarring to compare our current taxes to what Californians paid a century ago.

In the early 20<sup>th</sup> century, Californians paid no sales tax—the sales tax was first imposed in 1933 at a rate of 2.5%. Today Californians pay sales tax rates as high as 9.75%.

In 1935, the state personal income tax added to the permanent federal income tax, which commenced in 1913 with a top rate of 7%. Today, the top federal income tax rate is 35%, and California's personal income tax rates are among the highest in the nation.

A state gas tax of two cents a gallon was added in 1923. An extra cent was tacked on by the federal government in 1932.

Today, according to the American Petroleum Association, Californians pay 69 cents in taxes and fees per gallon of gasoline—the second highest rate in the nation. For truckers and others who use diesel, it's even worse: 79.5 cents.

Fuel taxes grow whenever fuel prices rise, which is why I'm sponsoring legislation that would cap the tax whenever gas prices exceed \$4 per gallon.

On a brighter note, California's property taxes are protected by voter-approved Proposition 13, but they are still above average compared to other states.

While none of us enjoy paying taxes, we do want good schools, smooth roads and safe neighborhoods. So we pay taxes. But no matter how much we pay, it never seems to be enough.

Someone is always telling us that unless we send even more of our hard-earned money to Sacramento, our schools, roads and neighborhoods will fail or be unsafe. They don't explain why the nearly four months of our lives we already work for the government isn't enough to stop these bad things from happening. They just want more of our money and more of our lives.

When is enough, enough?

Should you hear someone talk about raising taxes this week, ask them: "When do *you* think Tax Freedom Day should be?"

Force them to be honest. Force them to admit they want to take away more of our liberty by having us work extra days, weeks or even months for the government, instead of ourselves.

Tax Freedom Day helps us understand the truth. It illustrates what many would like to obscure: that taxes are lethal to liberty.

*Elected in November 2010, George Runner represents more than nine million Californians as a member of the State Board of Equalization. For more information, visit [www.boe.ca.gov/Runner](http://www.boe.ca.gov/Runner).*